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SUBJECT: MILF PEACE TALKS: OTHMAN SEEKS RESTRAINT AFTER
BASILAN, PUSHES FOR RESOLUTION OF ANCESTRAL DOMAIN

Classified By: Political Section Chief Mark D. Clark, reasons 1.4 (b and d).

Summary

1. (S) Malaysian facilitator for the Philippines/Moro Islamic Liberation Front (MILF) peace talks Othman Abdul Razak used his recent travel to the Philippines to urge both the GRP and MILF to avoid resuming hostilities in the wake of the July 10 killings and mutilation of Filipino marines in Basilan, he explained in an August 1 meeting with polchief. Othman met twice with MILF chairman Murad, and found Murad committed to restraint, although many field commanders appeared anxious to retaliate if the GRP launches a military action. IMT reports blamed the AFP marines for triggering the Basilan firefight, but the circumstances surrounding the mutilations remained murky and IMT would not dispatch a team there for fear of getting caught up in fighting. Absent major clashes, the next round of GRP-MILF talks on August 13 appeared on track. The MILF insisted that the talks focus first on resolving the remaining territorial issues, and only then move on to extending the mandates of the Joint Action Group and the International Monitoring Team (IMT). Malaysia has readied its next IMT contingent, but will pull out if the IMT's mandate is not extended. Othman said some MILF elements viewed U.S. development activities in Mindanao as counter-insurgency efforts and a threat to the MILF, comments which also may reflect Malaysia's unease. Othman's statements on the possibility of dropping the IMT mission appear to represent Malaysia's way of increasing pressure on Manila in the next round of talks. End Summary.

Othman's Latest Mission and Talks with Murad

2. (S) Othman told polchief he had intended his latest mission to the Philippines, which ended July 27, to make headway on the difficult issue of "ancestral domain" in preparation for the next round of informal talks in August. In the wake of the July 10 Basilan incident, however, Othman devoted most of his efforts to urging the GRP and MILF to avoid resumed hostilities. Othman believed he had assurances from GRP civilian leaders, including President Arroyo and acting Defense Secretary Gonzales, that there would not be a military response. Instead, there would be "law enforcement" actions by the police. He believed there remained a risk that AFP elements, who wished to wreck the peace talks, would initiate military action regardless of the GRP decision. Polchief said that through our Embassy in Manila, the U.S. had reached out to all sides to urge maximum restraint and to

preserve the peace process. Othman appreciated the U.S. actions and noted that public comments from U.S. officials had been helpful and avoided enflaming the situation.

¶3. (S) Othman said he met twice with MILF chairman Murad, along with the MILF Jihad Committee and other senior MILF leaders. The GRP had encouraged Othman's meetings with MILF. He found Murad calm and committed to restraint, and Murad had issued an instruction to commanders to refrain from offensive actions. Othman sensed, however, that a number of MILF field commanders were anxious to launch attacks, should there be an AFP strike. This included "Commander Bravo" in Lanao del Norte, whose targets would include infrastructure, such as power lines, in his operational area. Othman said Murad expressed concerns that he could not control some of his commanders.

Othman Faults AFP in Basilan

¶4. (S) IMT reports and other information Othman had received led him to conclude that the AFP had provoked the July 10 firefight on Basilan because the marines had moved into known MILF-held territory. The resulting eight-hour firefight had left 23 marines and 4 MILF dead, according to the MILF count.

Subsequently, during the effort to retrieve the bodies, six marines were found decapitated, along with the body of a local imam, whose neck was cut and nearly severed. The circumstances surrounding the mutilations remained murky, and Othman did not endorse any particular speculation. Othman said the MILF had not carried out mutilations in the past, and MILF leaders rejected such a practice.

¶5. (S) The IMT had decided not to dispatch its members to investigate in Basilan because of the risk of renewed

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fighting between the two sides whose positions were only one kilometer apart. IMT members "are not peacekeepers," Othman noted. Othman stated that the MILF had only a token force, less than 100 men, engaged in the July 10 firefight. However, after news of the clash, the MILF bolstered its force to a level of 400 fighters.

August Talks Turn On Territory

¶6. (S) Othman said that despite Basilan, there was a real prospect for progress in the next round of informal talks to take place in Kuala Lumpur for two or three days beginning August 13. The talks would have three agenda items: resolving the remaining ancestral domain/territory issues, renewing the expired mandate of the Joint Action Group, and renewing the IMT's mandate, which expires in August. Othman would begin the talks by taking stock of the informal agreements on territory reached to date in order to avoid renegotiating any points, particularly with a new GRP chief negotiator at the table (see below). The meeting would take up the latest GRP counter-offer on territory. The remaining territorial questions were relatively minor, Othman said, and could be settled by GRP compromise.

IMT as Pressure Point

¶7. (S) Othman cautioned that the MILF would not allow the August 13 talks to move to the Joint Action Group and IMT mandates if the territorial issues went unresolved (this was MILF's position, not his own, Othman clarified). In turn, Malaysia would fold up the IMT operation if it did not receive a renewed mandate. Malaysia wished to continue the IMT operations and understood the GRP also valued Malaysia's IMT role. Malaysia had readied its next IMT contingent for deployment. However, Malaysia would be prepared to leave the IMT if necessary, a decision that Deputy Prime Minister/Defense Minister Najib had endorsed and communicated

to the GRP.

Now's the Time to Make a Deal

¶18. (S) Adding further argumentation for the need for progress in the next round, Othman said Murad and the MILF leadership were now in a "sober mood" and the time was right to conclude a deal. The situation, however, would not last indefinitely. If the conflict remained unresolved, the next generation of MILF leaders would be much more difficult to deal with. Othman said he had warned Manila that it should conclude a peace agreement now before Mindanao went the way of the decentralized insurgency in southern Thailand that presents little opportunity for negotiation.

GRP Delaying Tactics, and Foreign Assistance

¶19. (S) Othman went on to remark that he agreed with the MILF complaints that most of 2007 had featured GRP delaying tactics, and he indicated Malaysia's impatience with the situation. The GRP felt that time was on its side due in part to a substantial influx of foreign assistance into Mindanao that was supportive of the government. Othman briefly noted that some elements within MILF viewed foreign assistance programs, including USAID programs and those of Japan, as "counter-insurgency" operations targeted against them. Such a perception could undermine the peace process. Othman also alluded to U.S. assistance and presence in Mindanao as too high profile, but he did not explain further.

Polchief responded that U.S. assistance programs in Mindanao were clearly making major contributions to peace and stability there. He also recalled that the U.S. Mission in Manila had undertaken direct consultations with the MILF in part to dispel any misperceptions about U.S. activities and assistance. Othman acknowledged the importance of U.S. communication with the MILF. (Note: Othman did not dwell on his superficial comments on U.S. assistance, and mentioned this more in passing. End Note.)

Afable's Resignation and New GRP Chief Negotiator

¶10. (S) Former GRP peace negotiator Silvestre Afable had resigned, Othman said, in large part because Afable was frustrated with GRP delays in the talks and particularly the

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lack of support in the Cabinet for compromise. Afable's replacement appeared to be a good man for the job. Othman did not foresee any difficulties in working with the new negotiator, particularly since he had been part of the GRP team for some time.

Comment

¶11. (S) Despite obvious concerns stemming from the Basilan incident and continued frustration with the delay in reaching agreement on territorial issues, Othman did not convey a strong sense that August 13 represented a last-ditch effort. We believe Othman overstates Malaysia's willingness to give up on the IMT, and we interpret these comments as Malaysia's way of increasing pressure on Manila in the next round of talks. Malaysia appears to value its role in the IMT and its facilitation of the MILF peace talks, and a Malaysian unilateral withdrawal would send a signal of failure as well as harm Malaysia's influence on the future of Mindanao. Othman's expressed unease with our development assistance appears to reflect a degree of Malaysian wariness with increasing U.S. activities and presence in a neighboring Muslim area of Southeast Asia. It also whiffs of Malaysian interests Mindanao, an area in which Malaysia desires influence and economic gain.

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